



## **DEPARTMENT OF LABOR**

### **Employment and Training Administration**

Comment Request for Information Collection on Employment and Training (ET) Handbook 361, Unemployment Insurance (UI) Data Validation (DV), extension with revisions.

**AGENCY:** Employment and Training Administration (ETA), Labor.

**ACTION:** Notice.

**SUMMARY:** The Department of Labor (Department), as part of its continuing effort to reduce paperwork and respondent burden, conducts a preclearance consultation program to provide the public and Federal agencies with an opportunity to comment on proposed and/or continuing collections of information in accordance with the Paperwork Reduction Act of 1995 [44 U.S.C. 3506(c)(2)(A)]. This program helps ensure that requested data can be provided in the desired format, reporting burden (time and financial resources) is minimized, collection instruments are clearly understood, and the impact of collection requirements on respondents can be properly assessed.

Currently, ETA is soliciting comments concerning the collection of data for the UI DV program. Collection authority for this program expires May 31, 2016.

**DATES:** Submit written comments to the office listed in the addresses section below on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**ADDRESSES:** Send written comments to Rachel Beistel, Room S-4519, Employment and Training Administration, U.S. Department of Labor, 200 Constitution Avenue NW, Washington,

DC 20210. Telephone number: 202-693-2736 (this is not a toll-free number). Individuals with

hearing or speech impairments may access the telephone number above via TTY by calling the toll-free Federal Information Relay Service at 1-877-889-5627 (TTY/TDD). E-mail:

Beistel.Rachel@dol.gov. To obtain a copy of the proposed information collection request (ICR), please contact the person listed above.

## **SUPPLEMENTARY INFORMATION:**

### **I. Background**

Section 303(a)(6) of the Social Security Act specifies that the Secretary of Labor will not certify State UI programs to receive administrative grants unless the State's law includes provisions for:

making of such reports...as the Secretary of Labor may from time to time require, and compliance with such provisions as the Secretary may from time to time find necessary to assure the correctness and verification of such reports.

The Department considers data validation one of those "provisions...necessary to assure the correctness and verification" of the reports it requires.

The Government Performance and Results Act of 1993 (GPRA) requires Federal agencies to develop annual and strategic performance plans that establish performance goals, have concrete indicators of the extent that goals are achieved, and set performance targets. Each year, the agency is to issue a report that "evaluate[s] the performance plan for the current fiscal year relative to the performance achieved toward the performance goals in the fiscal year covered by the report." Section 1116 (d)(2) of OMB Circular A-11, which implements the GPRA process, cites the Reports Consolidation Act of 2000 to emphasize the need for data validation by

requiring that the agency's annual performance report "contain an assessment of the completeness and reliability of the performance data included in it [that]...describes any material inadequacies in the completeness and reliability of the data." (OMB Circular A-11, Section 230.2 (f)). The Department emphasizes the importance of complete and accurate information for program monitoring and improving program performance.

The UI DV program employs a refined and automated approach to review 322 elements reported on 13 benefits reports and one tax report. The Department uses many of these elements for key performance measures as well as for workload analysis.

The validation process assesses the validity (accuracy) of the counts of transactions or measurements of status as follows. Guided by a detailed handbook, the state first constructs extract files containing all pertinent individual transactions for the desired report period to be validated. These transactions are grouped into 16 benefits and five tax populations. Each transaction record contains the necessary characteristics or dimensions that enable it to be summed into an independent recount of what the state has already reported. The Department provides state agencies with software that edits the extract file (to identify and remove duplicate transactions and improperly built records, for example), then aggregates the transactions to produce an independent reconstruction or "validation count" of the reported figure. The reported count is considered valid by this "quantity" validation test if it is within  $\pm 2\%$  of the validation count ( $\pm 1\%$  for a GPRA-related element).

The software also draws samples of most transaction types from the extract files. Guided by a state-specific handbook, the validators review these sample records against documentation in the state's management information system to determine whether the transactions in the extract file are supported by system documentation. This qualitative check determines whether

the validation count can be trusted as accurate. The benefits extract files are considered to pass this “quality” review if random samples indicate that no more than 5% of the records contain errors; tax files are subjected to different but related tests. A reported count is considered valid only if it differs from a reconstructed (validation) count by no more than the appropriate criterion of  $\pm 2\%$  or  $\pm 1\%$ , and the validation count comes from an extract file that has satisfied all quality tests.

For Federal fiscal years 2011 and beyond, all states will be required to conduct a complete validation every three years. In three cases the three-year rule does not apply, and a revalidation must occur within one year: (1) groups of reported counts that are summed for purposes of making a Pass/Fail determination and do not pass validation by being within  $\pm 2\%$  of the reconstructed counts or the extract file does not pass all quality tests; (2) the validation applies to the two benefits populations and one tax population used for GPRA measures; and (3) reports are produced by new reporting software. Every year states must also certify that Module 3 of the Benefits and Tax handbooks are up to date.

In August 2015, through Unemployment Insurance Program Letter 08-12, Change 1, the Department issued changes that increased the high dollar overpayment threshold from \$5,000 to \$25,000 on the ETA 227 report. The ETA 227 report is validated through four of the 16 benefit populations. Only the validation of Benefits Population 12 will be affected by the new threshold of \$25,000. Accommodating the new threshold requires: 1) changing the threshold amount in the data validation database programming; 2) making one-time changes to two rows of data that validate the 227 report; and 3) adapting the affected Overpayment rules (called Steps or Substeps) to Module 3 of the Benefits handbook, which contains State definitions and data

system locations for Federal reporting requirements. These changes will impose little to no additional burden on state validators.

## **II. Review Focus**

The Department is particularly interested in comments which:

- evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;
- evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;
- enhance the quality, utility, and clarity of the information to be collected; and
- minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submissions of responses.

## **III. Current Actions**

Type of Review: Extension with revisions

Title: Unemployment Insurance Data Validation Program

OMB Number: 1205-0431

Affected Public: State Workforce Agencies

Form(s): ET Handbook 361:

Estimated Total Annual Respondents: 53

Annual Frequency: At least five validation items per state (two benefits populations and one tax population) plus reviewing and certifying that Benefits and Tax Module items are up to date.

Estimated Total Annual Responses: 265 (53 states x 5 populations)

Average Time per Response: 446 Hours

Estimated Total Annual Burden Hours: 23,644 Hours

Total Annual Burden Cost for Respondents: \$1,115,997

We will summarize and/or include in the request for OMB approval of the ICR, the comments received in response to this comment request; they will also become a matter of public record.

**Portia Wu,**

Assistant Secretary for Employment and Training, Labor.

**BILLING CODE – 4510- FW-P**

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